

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: SEPTEMBER 28, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 36  
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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**  
**Capacity Market Value Cost Recovery - ALTERNATIVE 1**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 0.85 /kW

Total of Alternative 1 VDER Projects' Net Injections at hour of NYISO Peak: 8,334 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 7,111.77**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$2,915.11
SC1C	0.81%	\$57.61
SC2ND	2.54%	\$180.64
SC2D	14.46%	\$1,028.36
SC3-Secondary	13.34%	\$948.71
SC3-Primary	5.15%	\$366.26
SC3-Subtransmission/Transmission	1.65%	\$117.34
SC3A-Secondary/Primary	2.98%	\$211.93
SC3A-Sub Transmission	3.75%	\$266.69
SC3A-Transmission	14.31%	\$1,017.69
Streetlighting	0.02%	\$1.42
<b>Total</b>	<b>100.00%</b>	<b>\$7,111.77</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	761,728,980	\$0.00000
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00000
		<b>\$/kW</b>
SC2D	1,137,918	\$0.00
SC3-Secondary	893,456	\$0.00
SC3-Primary	352,810	\$0.00
SC3-Subtransmission/Transmission	138,838	\$0.00
SC3A-Secondary/Primary	258,179	\$0.00
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00
		<b>\$/kWh</b>
Streetlighting	17,304,953	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Market Value Cost Recovery - ALTERNATIVE 2**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 0.85 /kW

Total of Alternative 2 VDER Projects' Net Injections at hour of NYISO Peak: 8,548 kW

**Total Alternative 2 Capacity Market Value Cost to Recover: \$ 7,294.04**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$2,989.83
SC1C	0.81%	\$59.08
SC2ND	2.54%	\$185.27
SC2D	14.46%	\$1,054.72
SC3-Secondary	13.34%	\$973.02
SC3-Primary	5.15%	\$375.64
SC3-Subtransmission/Transmission	1.65%	\$120.35
SC3A-Secondary/Primary	2.98%	\$217.36
SC3A-Sub Transmission	3.75%	\$273.53
SC3A-Transmission	14.31%	\$1,043.78
Streetlighting	0.02%	\$1.46
<b>Total</b>	<b>100.00%</b>	<b>\$7,294.04</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00000
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,137,918	\$0.00
SC3-Secondary	893,456	\$0.00
SC3-Primary	352,810	\$0.00
SC3-Subtransmission/Transmission	138,838	\$0.00
SC3A-Secondary/Primary	258,179	\$0.00
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	17,304,953	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**  
**Capacity Market Value Cost Recovery - ALTERNATIVE 3**  
**Rule 40.3.2.1**

Average Monthly NYISO Spot Auction Capacity Price: \$ 0.85 /kW

Total of Alternative 3 VDER Projects' Net Injections at hour of NYISO Peak: - kW

**Total Alternative 3 Capacity Market Value Cost to Recover: \$ -**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$0.00
SC1C	0.81%	\$0.00
SC2ND	2.54%	\$0.00
SC2D	14.46%	\$0.00
SC3-Secondary	13.34%	\$0.00
SC3-Primary	5.15%	\$0.00
SC3-Subtransmission/Transmission	1.65%	\$0.00
SC3A-Secondary/Primary	2.98%	\$0.00
SC3A-Sub Transmission	3.75%	\$0.00
SC3A-Transmission	14.31%	\$0.00
Streetlighting	0.02%	\$0.00
<b>Total</b>	<b>100.00%</b>	<b>\$0.00</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00000
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,137,918	\$0.00
SC3-Secondary	893,456	\$0.00
SC3-Primary	352,810	\$0.00
SC3-Subtransmission/Transmission	138,838	\$0.00
SC3A-Secondary/Primary	258,179	\$0.00
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	17,304,953	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Capacity Out of Market Value Cost Recovery**  
**Rule 40.3.2.2**

VDER Value Stack Capacity Market Value (Rule 40.3.2.1): \$ 14,405.80

Total VDER Value Stack Capacity Component Paid to Projects: \$ 191,176.56

**Total Capacity Out of Market Value Cost to Recover: \$ 176,770.76**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	42.86%	\$75,767.76
SC1C	0.02%	\$42.32
SC2ND	28.72%	\$50,764.21
SC2D	10.26%	\$18,135.93
SC3	17.30%	\$30,582.22
SC3A	0.00%	\$0.00
Streetlighting	0.84%	\$1,478.32
<b>Total</b>	<b>100.00%</b>	<b>\$176,770.76</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	761,728,980	\$0.00010
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00097
		<b>\$/kW</b>
SC2D	1,137,918	\$0.02
SC3	1,385,104	\$0.02
SC3A	1,778,325	\$0.00
		<b>\$/kWh</b>
Streetlighting	17,304,953	\$0.00009

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Environmental Market Value Cost Recovery**  
**Rule 40.3.2.3**

NYSERDA Tier 1 REC rate in effect for the recovery month: \$ 0.02209 /kWh

Total of VDER Projects' Net Injections during recovery month: 15,935,377 kWh

**Total Environmental Market Value Cost to Recover: \$ 352,012.48**

The Environmental Market Value costs will be recovered annually as part of the  
Clean Energy Standard Supply charge annual reconconciliation as specified in Rule 46.3.5.

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Environmental Out of Market Value Cost Recovery**  
**Rule 40.3.2.4**

VDER Value Stack Environmental Market Value (Rule 40.3.2.3): \$ 352,012.48

Total VDER Value Stack Environmental Component Paid to Projects: \$ 429,980.38

**Total Environmental Out of Market Value Cost to Recover:** **\$ 77,967.90**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	45.19%	\$35,231.24
SC1C	0.04%	\$28.76
SC2ND	26.03%	\$20,298.16
SC2D	9.60%	\$7,484.74
SC3	18.10%	\$14,114.33
SC3A	0.00%	\$0.00
Streetlighting	1.04%	\$810.66
<b>Total</b>	<b>100.00%</b>	<b>\$77,967.90</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00005
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00039
		<b><u>\$/kW</u></b>
SC2D	1,137,918	\$0.01
SC3	1,385,104	\$0.01
SC3A	1,778,325	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	17,304,953	\$0.00005

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**DRV Cost Recovery**  
**Rule 40.3.2.5**

Total VDER Value Stack DRV Component Paid to **Secondary/Primary** Projects: \$ 808,428.27

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$457,974.61
SC1C	1.18%	\$9,539.45
SC2ND	3.30%	\$26,678.13
SC2D	18.62%	\$150,529.34
SC3-Secondary	18.51%	\$149,640.07
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$5,982.37
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$8,084.28
<b>Total</b>	<b>100.00%</b>	<b>\$808,428.27</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00060
SC1C	20,359,345	\$0.00047
SC2ND	52,218,600	\$0.00051
		<b><u>\$/kW</u></b>
SC2D	1,137,918	\$0.13
SC3-Secondary	893,456	\$0.17
SC3-Primary	352,810	\$0.00
SC3-Subtransmission/Transmission	138,838	\$0.00
SC3A-Secondary/Primary	258,179	\$0.02
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	17,304,953	\$0.00047

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**DRV Cost Recovery**  
**Rule 40.3.2.5**

Total VDER Value Stack DRV Component Paid to **Subtransmission/Transmission** Projects: \$ 54,890.64

**Subtransmission/Transmission Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$22,499.67
SC1C	0.81%	\$444.61
SC2ND	2.54%	\$1,394.22
SC2D	14.46%	\$7,937.19
SC3-Secondary	13.34%	\$7,322.41
SC3-Primary	5.15%	\$2,826.87
SC3-Subtransmission/Transmission	1.65%	\$905.70
SC3A-Secondary/Primary	2.98%	\$1,635.74
SC3A-Sub Transmission	3.75%	\$2,058.40
SC3A-Transmission	14.31%	\$7,854.85
Streetlighting	0.02%	\$10.98
<b>Total</b>	<b>100.00%</b>	<b>\$54,890.64</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00003
SC1C	20,359,345	\$0.00002
SC2ND	52,218,600	\$0.00003
		<b><u>\$/kW</u></b>
SC2D	1,137,918	\$0.01
SC3-Secondary	893,456	\$0.01
SC3-Primary	352,810	\$0.01
SC3-Subtransmission/Transmission	138,838	\$0.01
SC3A-Secondary/Primary	258,179	\$0.01
SC3A-Sub Transmission	348,815	\$0.01
SC3A-Transmission	1,171,331	\$0.01
		<b><u>\$/kWh</u></b>
Streetlighting	17,304,953	\$0.00000



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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**LSRV Cost Recovery**  
**Rule 40.3.2.6**

Total VDER Value Stack LSRV Component Paid to **Secondary/Primary** Projects: \$ 38,937.85

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$22,058.29
SC1C	1.18%	\$459.47
SC2ND	3.30%	\$1,284.95
SC2D	18.62%	\$7,250.23
SC3-Secondary	18.51%	\$7,207.40
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$288.14
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$389.38
<b>Total</b>	<b>100.00%</b>	<b>\$38,937.85</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00003
SC1C	20,359,345	\$0.00002
SC2ND	52,218,600	\$0.00002
		<b><u>\$/kW</u></b>
SC2D	1,137,918	\$0.01
SC3-Secondary	893,456	\$0.01
SC3-Primary	352,810	\$0.00
SC3-Subtransmission/Transmission	138,838	\$0.00
SC3A-Secondary/Primary	258,179	\$0.00
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	17,304,953	\$0.00002

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**LSRV Cost Recovery**  
**Rule 40.3.2.6**

Total VDER Value Stack LSRV Component Paid to **Subtransmission/Transmission** Projects: \$ -

**Subtransmission/Transmission Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$0.00
SC1C	0.81%	\$0.00
SC2ND	2.54%	\$0.00
SC2D	14.46%	\$0.00
SC3-Secondary	13.34%	\$0.00
SC3-Primary	5.15%	\$0.00
SC3-Subtransmission/Transmission	1.65%	\$0.00
SC3A-Secondary/Primary	2.98%	\$0.00
SC3A-Sub Transmission	3.75%	\$0.00
SC3A-Transmission	14.31%	\$0.00
Streetlighting	0.02%	\$0.00
<b>Total</b>	<b>100.00%</b>	<b>\$0.00</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	761,728,980	\$0.00000
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00000
		<b>\$/kW</b>
SC2D	1,137,918	\$0.00
SC3-Secondary	893,456	\$0.00
SC3-Primary	352,810	\$0.00
SC3-Subtransmission/Transmission	138,838	\$0.00
SC3A-Secondary/Primary	258,179	\$0.00
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00
		<b>\$/kWh</b>
Streetlighting	17,304,953	\$0.00000

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**MTC Cost Recovery**  
**Rule 40.3.2.7**

Total VDER Value Stack MTC Component Paid to Projects: \$ 49,978.94

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Allocator</u></b>	
SC1	95.21%	\$47,583.83
SC1C	0.00%	\$0.00
SC2ND	4.79%	\$2,395.11
<b>Total</b>	<b>100.00%</b>	<b>\$49,978.94</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	761,728,980	\$0.00006
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00005

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**Value Stack Cost Recovery Mechanisms**  
**VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)**

**Community Credit Cost Recovery**  
**Rule 40.3.2.7**

Total VDER Value Stack Community Credit Component Paid to Projects: \$ 213,337.27

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	58.56%	\$124,930.54
SC1C	0.00%	\$0.00
SC2ND	2.69%	\$5,736.45
SC2D	13.92%	\$29,689.49
SC3-Secondary	11.29%	\$24,076.45
SC3-Primary	13.10%	\$27,947.47
SC3-Subtransmission/Transmission	0.45%	\$956.87
SC3A-Secondary/Primary	0.00%	\$0.00
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
<b>Total</b>	<b>100.00%</b>	<b>\$213,337.27</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	761,728,980	\$0.00016
SC1C	20,359,345	\$0.00000
SC2ND	52,218,600	\$0.00011
		<b>\$/kW</b>
SC2D	1,137,918	\$0.03
SC3-Secondary	893,456	\$0.03
SC3-Primary	352,810	\$0.08
SC3-Subtransmission/Transmission	138,838	\$0.01
SC3A-Secondary/Primary	258,179	\$0.00
SC3A-Sub Transmission	348,815	\$0.00
SC3A-Transmission	1,171,331	\$0.00